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14 March 1977

MEMORANDUM FOR: Deputy Director of Security (PSI)

FROM : [John B. Scanlon]  
Operations Support Branch

SUBJECT : Phillips, David Atlee  
#40696

REFERENCE : Deputy Director of Security Memorandum  
dated 7 March 1977; same Subject

1. In accordance with referent, the undersigned met with Subject at his home on 8 March 1977.

2. Subject advised that on or about 1 March 1977, he received a telephone call at his home from a Mr. Douglas Day, an author, who gave his phone number as (804) 823-5436. Although Subject has never met Mr. Day, he recalls reading a recent review of one of his books in Time or Newsweek. It was a fictional work on Spain. Mr. Day informed Subject that he is now working on a non-fictional book on Che Guevara. In developing background for this book, Day will be traveling through Latin America including Cuba. Knowing of Subject's association with the Agency, he asked for Subject's advice on how to "smooth the way" for making contacts at the U.S. Embassies in these countries and how to make contact with CIA officials. Day stated that he would be more than willing to "cooperate or work with" the Agency during his trip. Subject told Day that, as simple as it may sound, he need only to call or write the Agency stating his intentions and offers.

3. Subject then related that Seymour Hersh telephoned him about a year ago and stated that he knew all about his

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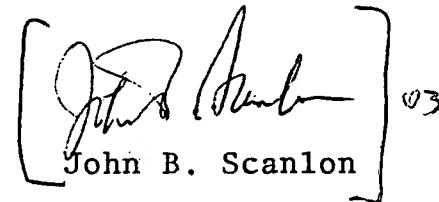
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comments to the Church Committee and especially about "Track II", a very tightly held project in Latin America Division. On 22 December 1976, Hersh again called Subject. During this conversation, Hersh quoted some passages from a letter he had received from "one of your old buddies". He quickly read several passages, making references to <sup>03</sup> Ted Shackley, Jim Flannery, [Kenny Million], [Dino Pionzio], Larry Sulc and Tony Sforza. According to Subject, the latter two officers are really not too well-known and it was surprising to him to hear Hersh talking about them. Two quotes which Subject particularly recalled were, "When Phillips called into the Office after you talked to him, the word went straight to the top enchilada", "Shackley said, 'Don't worry about Sforza - he is loyal - anyway, he can be trusted, even if we have to dump him. Of course, he will not be able to do the good that Phillips has done'".

4. Subject speculated that the only persons in the Agency who would have the type of information contained in paragraph 3 above and who may have reason to relate it to Hersh are Peter Kapusta and Jack LNU, who was Chief of the Mexico Branch at Headquarters in 1970.

  
John B. Scanlon

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